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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Chapter 11

DELPHI CORPORATION, et al.,

Case No. 05-44481 (RDD)
(Jointly Administered)

Debtors.

**OBJECTION BY AMERICAN AXLE & MANUFACTURING, INC. TO
DEBTORS' (I) NOTICE OF ASSUMPTION AND/OR ASSIGNMENT OF
EXECUTORY CONTRACT OR UNEXPIRED LEASE TO QUALIFIED BIDDERS IN
CONNECTION WITH SALE OF DEBTORS BEARING BUSINESS
AND (II) MOTION FOR SALE OF BEARING BUSINESS**

American Axle & Manufacturing, Inc. ("AAM") objects to the Debtors' (I) Notice of Assumption and/or Assignment of Executory Contract or Unexpired Lease to Qualified Bidders in Connection with Sale of Debtors' Bearing Business ("Assumption Notice") [Docket #12675] and (II) Motion for Sale of its Bearing Business ("Motion") [Docket #12104]. In support of its objection AAM states as follows:

Introduction

1. AAM files this objection because no proposed purchaser under the Motion has given AAM adequate assurance that it would be able to perform its duties under the Contracts.

Background

2. On January 15, 2008, Debtors filed the Motion, which requests an order approving, *inter alia*, the assumption and assignment of certain executory contracts and unexpired leases related to Debtors' Bearing Business.

3. In the Motion, Debtors seek authority under Section 365 of the Bankruptcy Code to assume and assign certain contracts to ND Acquisition Corp. ("ND Acquisition") or any other successful bidder.

4. On February 14, 2008, Debtors filed the Assumption Notice. In the Assumption Notice, Debtors stated that two additional parties submitted qualified bids and were to take part in the auction of Debtors' Bearing Business. The two qualified bidders are WND Acquisition Company, LLC and Kyklos, Inc. ("Kyklos"). According to newspaper reports, Kyklos was the highest bidder and will be the purchaser of the Acquired Assets (as defined in the Motion).

5. The Assumption Notice (attached as Exhibit A) identifies the purchase orders that Debtors seek to assume and assign (collectively, "Contracts").

Argument

6. Under Section 365(f)(2)(B) of the Bankruptcy Code, Debtors may assign an executory contract only if "adequate assurance of future performance by the assignee of such contract ... is provided." Neither Kyklos nor any other prospective purchaser has provided AAM with adequate assurance of future performance of the Contracts.

7. Because the legal points and authorities upon which this objection relies are incorporated and do not represent novel theories of law, AAM requests that the requirement of the filing of a separate memorandum of law under Local Rule 9013-1(b) of the Local Bankruptcy

Rules for the United States Bankruptcy Court for the Southern District of New York be deemed satisfied.

RELIEF REQUESTED

AAM requests that the Court condition the assumption and assignment of the Contracts to Kyklos, or any other prospective purchaser, upon any such proposed purchaser's proof of adequate assurance of future performance of the Contracts.

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By: /s/ Ralph E. McDowell
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February 25, 2008

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing ***Objection by American Axle & Manufacturing, Inc. to Debtors' (I) Notice of Assumption and/or Assignment of Executory Contract or Unexpired Lease to Qualified Bidders in Connection With Sale of Debtors Bearing Business and (II) Motion for Sale of Bearing Business*** was electronically filed using the Court's CM/ECF filing system, and that a true and correct copy of the same was served via Federal Express to the parties identified below:

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and

The Honorable Robert D. Drain
United States Bankruptcy Judge
U.S. Bankruptcy Court for the Southern District of New York
One Bowling Green
Room 610
New York, New York 10004

Dated: February 25, 2008

/s/ Ralph E. McDowell
Ralph E. McDowell